

KBR
LOGCAP III Headquarters
Camp Victory, Baghdad, Iraq
APO, AE 09344

10 January 2009

Najlao International Catering
P.O. Box 64457 B 70455 Sharq Tower
16th FI Al Shar, Kuwait

Attention: Mr. Bill Baisey, CEO

References: GCA90M-VC-SDF0859 (C5.3)

- a) Kellogg Brown & Root Subcontract General Conditions – (services performed outside of the U.S.) Rev.004, 8/28/08
- b) Kellogg Brown & Root Subcontract Special Conditions
For Overseas Subcontracts in support of LOGCAP III
- c) KBR LOGCAP III Scope of Work for Temporary Labor Camps, Revision September 8, 2006
- d) Letter to all KBR Subcontractors dated 01 December 2008
- e) Response to KBR from Najlao Operations Manager dated 02 December 2008
- f) Cure Notice dated 02 December 2008
- g) Najlao response to Cure Notice dated
- h) Email from VBC Garrison Chief of Staff dated 09 January 2009

Subject: **Show Cause**

You are hereby notified that since Najlao International Catering (Najlao) has failed to cure the conditions endangering performance as described in KBR's letter to all subcontractors dated 01 December 2008 Reference (h) and the Cure Notice issued to Najlao International Catering (Najlao) 02 December 2008 Reference (f), KBR is considering the termination of this procurement for default pursuant to Clause No. 6 of Reference (a) and Clause 19 of Reference (b).

Pending a final decision in this matter, it will be necessary to determine whether your failure to perform arose out of causes beyond your control and without negligence on your part. Accordingly, you are hereby afforded the opportunity to present, in writing, any facts bearing on the question to KBR within 10 days after receipt of this notice. Your failure to present an explanation within this time may be considered an admission that none exists.

Please review your respective rights, and KBR's, under the default clause of this Purchase Order and the liabilities that may be invoked in the event a decision is made to terminate these subcontracts for default. Any assistance rendered to you in these subcontracts or acceptance by KBR of delinquent goods or services will be solely for the purpose of mitigating damages and is not to be construed as an intention on the part of KBR to condone any delinquency or as a waiver of any rights that KBR may have under the subcontract.

Please contact the undersigned if you require any clarifications or additional information with regard to this notice.

Sincerely,



403342

Derrick White
Subcontracts Supervisor – DFAC
Kellogg, Brown and Root Services, Inc.